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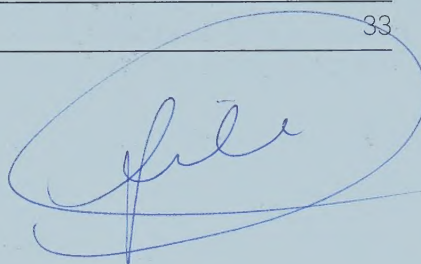
*Distribution of the branch network as shown
on the cover.*



- 40 branches and over
- 3 branches
- 1 branch

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Highlights

As at October 31

	1976	1975	Increase %
Total Assets	\$3,624,162,284	\$3,059,144,557	18.5
Deposits	\$3,420,875,684	\$2,893,080,561	18.2
Loans	\$2,350,464,848	\$2,028,148,172	15.9
Accumulated appropriations for losses	\$31,557,054	\$27,355,645	15.4
Shareholders' Equity	\$80,755,526	\$72,372,422	11.6
Balance of revenue after provision for income taxes	\$16,988,409	\$14,091,503	20.6
Per share*	\$2.50	\$2.38	5.0
Dividends paid per share	\$1.00	\$1.00	—
Number of shareholders	7,990	7,686	4.0
Number of employees	4,813	4,441	8.4

*Based on the month end average of shares outstanding
1976—6,784,157
1975—5,918,837

The 1976 revenue dollar

Its sources

84¢	Income from loans
9.5¢	Income from securities
6.5¢	Other operating revenue

Its distribution

63¢	Interest on deposits and debentures
17¢	Salaries, pension contributions and other staff benefits
4¢	Property expenses, including depreciation
6¢	Other operating expenses, including provision for losses on loans based on five-year average loss experience
5¢	Provision for income taxes relating thereto
2¢	Appropriation for losses
2¢	Dividends
1¢	Undivided profits

Board of Directors

Chairman of the Board and Chief Executive Officer

*Léo Lavoie, Montréal

President of the Bank

*Michel Bélanger, Montréal

Vice-Presidents

*Cecil F. Carsley, M.B.E., Montréal,
Chairman of the Board,
Canvin Products Limited

*A.-Hervé Hébert, F.S.A., F.C.I.A.,
Lévis,
President,
Hébert, LeHouillier & Ass. Inc.

François Adam, F.I.A.C., Lévis,
President, La Société d'Assurances
des Caisses Populaires and General
Security Insurance Company of Canada

Marcel Bélanger, C.A., Québec,
Partner, Bélanger, Dallaire,
Gagnon & Company

*Hervé Belzile, C.A., Montréal,
President, Alliance Mutual Life
Insurance Company

Guy Bernier, Montréal,
President,
L'Union régionale de Montréal des
Caisses Populaires Desjardins

Marc Bourgie, Montréal,
President, Urgel Bourgie Limitée

Rodolphe Casgrain, Montréal,
President,
Casgrain & Company Limited

Roland Chagnon, C.A., Montréal,
Chairman, Lallemand Inc.

*Charles-E. Demers, Eng., Québec,
President, Komo Construction Inc.

Claude Ducharme, Q.C., Montréal,
Partner, Desjardins, Ducharme,
Desjardins, Bourque & Pratte

Gilbert Finn, Moncton,
President,
Assumption Mutual Life
Insurance Company

Roland Giguère, Montréal,
President and Chief Executive Officer,
Télé-Métropole Inc.

J.-G. Hamelin, Montréal,
President,
La Corporation immobilière
Place Desjardins

Paul-H. Plamondon, Québec,
Executive President, Paquet Inc.

J.-Olier Renaud, Q.C., Montréal,
Partner, Renaud & Renaud

Maurice-W. Soucy, Rivière-du-Loup,
President,
Nap Dumont Ltée

*Antoine Turmel, Sherbrooke,
Chairman of the Board
and Chief Executive Officer,
Provigo Inc.

*Executive Committee Member

Executive Officers of the Bank

**Chairman of the Board
and Chief Executive Officer**
Léo Lavoie

President
Michel Belanger

Vice President and General Manager
Jean Machabée

Vice Presidents
Georges Fortin, *Control*
Michel Lavoie, *Operations*
Gilles Mercure, *International*
Gilles Roch, *Administration*

Secretary General
René Cousineau

Assistant General Managers
André Bérard
Maurice Bigras
Grégoire Doyon
René Fortier
Gaston Gauthier
Lawrence Labonté
Gérard Lacerte
Richard Lapointe
Léon Pilon
Claude Primeau
Humberto Santos
Raymond Séguin

Regional Supervisors
Jean-Claude Asselin,
St. Lawrence Valley
Berthier Bélanger, *Maritimes*
Gaétan Dagenais,
Eastern Townships-St. Maurice
Gérard Dubé, *Québec*
Jean-Claude Falardeau, *Ontario*
Jacques Gagné, *Montréal*
Napaul Poisson, *Hochelaga*
Roland Robichaud,
Laurentians-Ottawa
Roger Séguin, *Laval*

Superintendents
Lucien Tanguay, *Investments*
Robert Teasdale, *Administration*

Department Heads
Robert Allard, *Investments*
Michel Bellerose, *Credit*
Philippe Boutin, *Systems*
Alcide Dalpé, *Inspection*
Richard Dorais, *Legal*
Guy Duval, *Credit (Québec)*
Hubert Harel, *Master Charge*
Réal Hébert, *Accounting*
Maurice Julien, *Cheque Clearing*
Yvon Julien, *Mortgage Loans*
Pierre Lacasse, *Marketing*
Jean-Guy Garneau, *Bank Premises*
Jacques Lamontagne, *Personnel*
Henry Mhun, *Economic Research*
Bernard Pellerin, *Internal Auditing*
Gilles Pilon,
Customer Services Department
Bertrand Rousseau, *Securities*
Germain St-Jean, *Security*
Réal Tardif, *Public Relations*
Paul Villers, *Budget Loans*

Address of the Chairman of the Board and Chief Executive Officer

Since our last Annual General Meeting, important changes have taken place in the Bank's senior management and I deem it necessary to comment them here.

At the beginning of the year, I had informed my colleagues on the Board that I wished to share my responsibilities and resign as president, while expressing my willingness to continue exercising my other functions. The Directors accepted my request. In February, Mr. Michel Bélanger was appointed a Director by the Board and was elected President of the Bank. He assumed his functions on the first of April. Since that date, I have continued to act as Chairman of the Board and Chief Executive Officer.

We are very happy that Mr. Bélanger has accepted to join our ranks. In his new capacity, he makes the Bank benefit from his extensive economic training and broad experience gained in both the public sector where he held several important offices and the private sector, especially as President and General Manager of the Montreal Stock Exchange. His contribution is particularly appreciated at a time when the Bank is not only increasing its business volume but also entering new and complex fields.

During the course of the year, other changes have also occurred in the Board of Directors. Last June, Mr. Benoit Benoit resigned and it is with regret that we had to accept his decision. Mr. Benoit had served on your Board between 1954 and 1976 and on the Investment Committee during four years. I am sure that all his colleagues would wish to join me in extending to him sincere appreciation for his participation in our meetings.

In order to fill the post of Director left vacant by Mr. Benoit's departure, we appointed Mr. Maurice Soucy of Rivière-du-Loup. Mr. Soucy has a wide business experience and his contribution is much appreciated. I am convinced that our shareholders and customers of the Lower Saint Lawrence Valley area in particular are happy to have him participate in the Bank's progress.

It is with deep regret that we learned of the death of Mr. Georges E. Turcotte in last November. As an agronomist, Mr. Turcotte worked all his life in the sector of agricultural cooperatives and, as you already know, at the time of his last illness he held the position of General Manager of the Federation of Cooperatives of Quebec. Mr. Turcotte had been appointed a Director of the Bank in March 1971 and had been serving on the Executive Committee since April 12, 1972. He was admired by his colleagues for his competence, dedication and remarkable simplicity. His untimely passing represents a great loss for the Bank.

To fill the post left vacant by the late Mr. Turcotte, your Directors invited Mr. Guy Bernier of Montreal to serve on

the Board of Directors. Last May, Mr. Bernier was elected President of l'Union régionale de Montréal des Caisses Populaires Desjardins. He previously had participated for many years, under various capacities, in the management of Quebec United Fishermen, of which he was General Manager from 1963 to 1976. Mr. Bernier has a wide management experience and his contribution to the Bank's progress will be most appreciated.

In the addresses that will follow, the President, Mr. Michel Bélanger, will give us his views on various aspects of the White Paper on the Canadian Banking Legislation and the Vice-President and General Manager, Mr. Jean Machabée, will comment the financial statements of the past year. As for me, I cannot conclude without talking briefly about a subject which is of great interest to you, the value of the Bank's shares. At their present market price, they certainly represent an exceptionally advantageous investment because not only do they offer a promising outlook but they also provide a high yield.

The latter, which stands at about 8% can be compared to an average yield of approximately 5.6% on shares of industrial companies quoted on the Toronto Stock Exchange and of 5.35% for those quoted on the Montreal Stock Exchange. If, in addition, we take into account the income tax deductions on shares dividends, it may be noted that the yield of our shares is accordingly increased and may be compared to that of good fixed income securities.

As a result of their low quotation our shares are trading on the stock market at a price nearing their book value and at a rather low price when compared with earnings. They are trading at about 5 times the earnings per share compared with a price/earnings multiple of around 8.1 times for shares of companies listed on the Toronto Stock Exchange industrial indexes and of 8 in the case of the Montreal Stock Exchange.

Earnings per share of the Bank have grown at a most satisfactory pace during the last ten years. We are confident that this progress will continue. For all the reasons that we just gave you, we believe that the Bank's shares offer an excellent appreciation outlook while providing holders with a good yield.



Léo Lavoie



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The Provincial Bank of Canada is fully aware of the importance of its social responsibility in the fields of health and welfare, education, arts and recreation. That is why the Bank remains active in these sectors by giving financial support and encouraging the participation of its management personnel.

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The Revision of The Bank Act

Last summer, the proposals of the Canadian Government concerning the revision of the Bank Act have been published in a White Paper. This has provoked numerous comments by interested parties and, as was to be expected, differences of opinion have emerged. Besides, certain aspects call for further clarification. This is why financial institutions have made new suggestions to the Government. Some of its recommendations will certainly be modified, but the principal proposals, the main topics of the reform outlined in the White Paper, will probably be included next year in the legislation.

I intend to comment briefly on these general features. They are of utmost concern to all of us, whether we are bankers, shareholders, savers or borrowers, investors, industrialists or merchants, because they will change the structure and the rules of the game as we know them.

The Proposals of the White Paper

The philosophy of the White Paper emerges right from the first pages in the following sentence—and I quote: "The soundness of the basic approach to the strengthening and development of the financial system through effective and equitable competition was reaffirmed by the Porter Commission, was central to its recommendations, and remains the basic underlying objective of the government in its approach to banking legislation."

Faithful to the spirit of the studies undertaken by the Royal Commission on Banking and Finance (the Porter Commission), which had prepared the ground for the revision of 1967, the Government thus has set the promotion of competition as its principal objective. To achieve it, the Government proposes a more open financial system, within which various financial institutions engaged in the banking business would be governed by the same rules and would be able to compete on an equal basis.

I readily endorse this objective, for competition is the source of progress in a market economy. The intention of the Government, moreover, is consistent with the trend that has developed since the latest Bank Act revision ten years ago, and which will continue in the future along with technological and socio-economic changes. The evolution has not tended towards a monopoly for the chartered banks, but quite the contrary, towards a diversification of banking institutions. The plan to submit the various deposit-taking institutions to the same regulatory structure and to a more uniform legislation is a good one if one wants to attain more equity and to avoid a disorderly develop-

ment of the banking system in the future.

This objective is, moreover, justified. Actually, the role of near-banks in the financial system has not ceased to grow. From 1946 to 1975, their share in the total Canadian dollar assets of the major financial institutions has increased from 8 to 22 per cent, while their portion of the assets of the deposit-taking institutions has risen from 12 to 32 per cent. Furthermore, from 1967 to 1975 the assets of the near-banks have increased more than those of the chartered banks: by 230 per cent against 206 per cent.

I should like to recall that the Economic Council of Canada, in a recent study on deposit-taking institutions, has also taken the view that the principal objective of any reform is to promote competition between financial institutions. Finally, it is also one of the goals pursued by the chartered banks in the submission that the Canadian Bankers' Association has presented to the Government.

This does not mean, however, as been said, that the Government is prepared to agree to all the requests of the banks. Far from it. A careful examination of the White Paper proposals shows that it rejects a reduction in the banks' mandatory reserve requirements which, at their current high levels, tax the banks unduly and increase the costs to clients; the banks are also required to build up reserves against part of their foreign currency deposits; the possibility to offer electronic data processing services to bank customers is severely restricted; the ability of banks to acquire shares in other companies, to have affiliates or associate enterprises is reduced; the banks will not have the right to underwrite corporate securities and to act as agents in the private placement of these securities, although they may continue to underwrite Government securities and to distribute them. And I am skipping over many other items; this list is far from complete.

In view of these circumstances, I do not think it is reasonable to contend that the White Paper proposals are mostly in favor of the banks. It must be recognized, however, that on the whole the objectives of the White Paper—competition and efficiency—do not differ from those proposed by the banks in their concern to serve the public interest well.

Establishment and Development of New Banks

In what way does the Canadian Government intend to promote a healthy competition in the banking system? What means does it plan to use? The Government proposes to attain these objectives by facilitating access to the banking system, in other words, by making it easier for new financial institutions to gain entry in this sector. The White Paper leaves no doubt about it. After having recalled that "reasonable freedom for new firms to enter an industry helps to assure a healthy level of competition with-



Michel Bélanger

in that industry", it adds that "the recent acceleration in the establishment of new banks is important and welcome. But in view of the relatively high concentration of total banking business among the larger banks, entry and growth of new banks should be encouraged and facilitated as far as possible."

To this end, the Government proposes to remove certain obstacles to the establishment of new banks. The conditions under which a bank can be incorporated would be eased. Thus, sponsors would be able to establish a bank by letters patent, without Parliament being obliged to adopt a special Act. It would thus be much easier than it is at present. Moreover, the near-banks, which are governed by provincial laws, could under certain conditions obtain the status of a chartered bank. The White Paper also proposes that provincial governments may hold up the 25 per cent of the share-capital of a new bank. Finally, the Government opens the door to foreign banks, by permitting their subsidiaries to obtain, on certain conditions, the status of a chartered bank.

Already the foreign banks in Canada perform banking functions that escape federal regulation. Their activities are far from negligible; their affiliates in Canada possess more than 40 offices and their assets surpass \$2 billion. This step will consequently make the system more equitable and more rational. It is possible that Canadian banks, on the strength of the reciprocity principle, could now establish themselves in countries barred to them because their banks are not officially recognized here by Ottawa. It is also possible that the lack of reciprocity elsewhere compels certain foreign banks that have already established subsidiaries here to continue to operate outside the Bank Act.

Some time will elapse before it will be known how many financial institutions would wish to avail themselves of this opportunity. There certainly will not be a rush, because the establishment of a new bank is a complicated and costly undertaking; in addition, the provisions of the White Paper limit the size and the expansion of foreign banks. Consequently, the structure of financial markets and the current competitive equilibrium will not undergo a radical change from one day to the next. And for all that, we will not be in a position of free and perfect competition, which does not exist in practice in any sector of activity in modern market economies. After elimination of certain artificial restraints, however, the majority of financial institutions will be subject to the same rules of operation, whatever their size, and they will have the free exercise of a body of legal powers.

The Effect of Intensified Competition

The encouragement of competition

between financial institutions is not, however, an end in itself. What matters are the means employed to reach it and above all, the likely consequences. In this respect, one may reasonably assume that the increase in the number of establishments on the market will lead the banks to continue to innovate, to offer a greater variety of services to their customers and to increase their efficiency.

The efficiency of the banking system is certainly the best guarantee for the protection of the saving public. It cannot fail to contribute also to a strengthening of the financial structure. This is important, for the future investment needs of Canada, and of Quebec in particular, will be considerable. The development of hydro-electric power, the exploitation and processing of our natural resources and the expansion of our infrastructure will require investments which will probably be in the order of \$800 billion (current dollars) during the next ten years. The largest part will be derived from Canadian savings, but it will all the same be necessary to have recourse to foreign savings.

The financing of such investments requires a sound and strong financial system, of which the banks will form part in their function of intermediaries between savers and investors, both on Canadian and international markets.

Banking Activities

The impending strengthening of competition might suggest that the market served by each bank would shrink. This is far from certain, however, for the White Paper proposes to extend the banks' field of operations in order to make specialized financial services more accessible to the public. The Government plans to authorize the banks to engage directly in financial leasing of equipment. This type of transaction has grown rapidly during recent years, in Canada as well as in the United States, but those who have benefited most from its growth have been the affiliates of foreign banks and some Canadian enterprises. The few Canadian banks which to date have participated in it have done so through the intermediary of companies which they control in part.

The White Paper also recommends that the banks engage in factoring, which is a practice whereby a producer of goods or services sells his accounts to a third party which must assume the credit risk and collect the accounts. The American banks have practiced factoring since 1963 and some among them have even established themselves on the Canadian market. It is a financial sector which has known relatively little growth in Canada, but which could expand rapidly under the impetus of the banks.

The amount banks may have outstanding in conventional residential mortgage loans is currently limited to 10 per cent of their Canadian deposit

liabilities and debentures. Ottawa proposes to remove this ceiling in order to facilitate the financing of housing. The majority of banks are operating well below the 10 per cent limit; therefore, what it amounts to is the removal of an inoperative restriction. The average for all Canadian banks is close to 6 per cent and at the Provincial Bank our conventional mortgages represent only 5.5 per cent of liabilities.

Furthermore, the White Paper offers banks the possibility of issuing non-redeemable certificates of deposits with a term of more than one year, without maintaining reserves against them at the Bank of Canada. This arrangement is advantageous both for the savers and for the banks. It should allow the banks to cope with the competition of the near-banks, which are able to offer higher rates because they do not have to consider the cost of reserves.

The Government finally proposes to soften the conditions under which the banks may attract capital. They would be able to issue no-par value shares, convertible preferred shares, convertible debentures denominated in Canadian dollars and non-convertible debentures in foreign currencies. They would also be able to declare stock dividends. This system would resemble rather closely that in force for other corporations. I believe that this is ground for satisfaction, although I think that there are hardly any reasons to keep some of the restrictions that will remain.

These recommendations are of particular interest to the Bank and to its shareholders. They would actually permit us to enlarge our own resources in line with the expansion of our balance sheet and they would augment our operating funds. In addition, we would be able to achieve a better balance between our equity capital and our commitments. Finally, a larger and more flexible capitalization should result in a relative decline in the cost of financing.

The Growth of The Provincial Bank of Canada

All things considered, you will note that the new fields of activity open to the banks are far from trifling. What place could the Provincial Bank occupy in this new environment? Obviously, we will have to face keener competition. We will have to maintain, if not improve, our position in an increasingly competitive market. I am not worried about it, because the performance of your Bank, in recent years, bears witness to its vitality. I am confident that we can meet this challenge.

Since the latest revision of the Bank Act, in 1967, the Provincial Bank has opened 63 new branches—a figure which does not include the branches of The People's Bank taken over in 1970. Our growth, in several sectors, has turned out to be more rapid than that of the banking system as a whole.

In the four years from June 1972 to June 1976, for instance, our personal loans have increased by 132.1 per cent compared to 118.2 per cent for all the banks in Canada and our mortgage loans by 307.5 per cent against 188.1 per cent. Our deposits have also risen at a faster rate than that applying to the banking system as a whole. Also, over the last two years, our progress in Quebec alone, where 83 per cent of our operations take place, is superior to the advance recorded by the system as a whole, so that our share of the market is increasing. Our assets, from March 1974 to June 1976, have risen by 59.6 per cent compared to 43.3 per cent for all the banks. We are already facing strong competition and increased competition does not present particular difficulties for us.

Furthermore, certain recommendations of the White Paper—always assuming that they will be implemented—are likely to be advantageous to us. Experience shows that financial leasing is particularly useful to small and medium-sized enterprises, which often have limited capital resources, are rapidly growing and find themselves short of working capital. The same applies to factoring, which also is convenient for small businesses. Now, as you know, a large part of our customers are found in this category. Again, the reduction of the reserve against the first \$500 million of savings deposits from 4 per cent to 2 per cent benefits us relatively more than the larger banks. Finally, it is likely that the future competition of foreign bank subsidiaries deciding to become chartered banks will manifest itself more on the markets of the larger banks than on our own.

We have already started to prepare the action that we shall have to take in this new setting. In the months to come, as the final arrangements of the proposed Bill become more explicit, we shall step up these preparations. But it is on the human resources, in other words, on our entire staff, at all levels, that we can and must rely.

In fact whatever the changes in the legislation or in the competitive climate, whatever the financial or material resources at our disposal, it is ultimately the staff, men and women of the Bank, who will give to our depositors, to our borrowers, to all our customers, the first rate service that will enable us to meet the challenge of the competition.

*Active in all sectors of its environment,
The Provincial Bank of Canada is
particularly proud of its contribution to
the development of small and medium-
sized enterprises. The economic
importance of the role played by an
institution such as ours is clearly
illustrated by the Bank's activities in
this field.*





Statement of Assets and Liabilities

As at October 31, 1976

Assets	1976	1975
Cash and due from banks	\$ 752,448,989	\$ 564,648,341
Cheques and other items in transit, net	66,708,450	67,441,621
	819,157,439	632,089,962
Securities issued or guaranteed by Canada, at amortized value	288,781,407	234,656,995
Securities issued or guaranteed by provinces, at amortized value	8,669,670	18,244,897
Other securities, not exceeding market value	86,141,710	89,652,990
	383,592,787	342,554,882
Day, call and short loans to investment dealers and brokers, secured	74,493,539	81,252,630
Other loans, including mortgages, less provision for losses	2,275,971,309	1,946,895,542
	2,350,464,848	2,028,148,172
Bank premises at cost, less amounts written off	17,607,341	15,752,263
Securities of and loans to a corporation controlled by the Bank	3,147,943	3,182,278
Customers' liability under acceptances, guarantees and letters of credit, as per contra	45,555,514	35,115,981
Other assets	4,636,412	2,301,019
	\$3,624,162,284	\$3,059,144,557

Michel Bélanger,

President

Jean Machabée,

Vice-President and
General Manager

Liabilities	1976	1975
Deposits by Canada	\$ 71,991,432	\$ 42,509,345
Deposits by provinces	43,497,003	28,007,817
Deposits by banks	267,872,453	417,377,993
Personal savings deposits payable after notice, in Canada, in Canadian currency	1,287,115,859	1,125,833,885
Other deposits	1,750,398,937	1,279,351,521
	<u>3,420,875,684</u>	<u>2,893,080,561</u>
Acceptances, guarantees and letters of credit	45,555,514	35,115,981
Other liabilities	10,418,506	6,219,948
Accumulated appropriations for losses	31,557,054	27,355,645
Debentures issued and outstanding—note 1	35,000,000	25,000,000
Capital stock: Authorized—10,000,000 shares of \$2. each	\$20,000,000	
Capital paid up—6,825,000 shares issued and fully paid—note 2	13,650,000	13,382,714
Rest Account	67,000,000	58,864,035
Undivided profits	105,526	125,673
	<u>\$3,624,162,284</u>	<u>\$3,059,144,557</u>

Auditor's Report to the Shareholders

We have examined the statement of assets and liabilities of The Provincial Bank of Canada as at October 31, 1976 together with the statement of revenue, expenses and undivided profits and the statement of accumulated appropriations for losses for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the foregoing statements present fairly the financial position of the Bank as at October 31, 1976 and its revenue, expenses and undivided profits and accumulated appropriations for losses for the year ended on that date.

Auditors

Guy Chabot, C.A.,
of Raymond, Chabot, Martin, Paré & Associés
Louis-Yvan Morin, C.A.,
of Morin, Dufresne, Cloutier, Bédard & Associés

Montreal, November 24, 1976

Statement of Revenue, Expenses and Undivided Profits

for the financial year ended October 31, 1976

	1976	1975
REVENUE		
Income from loans	\$265,536,021	\$227,540,838
Income from securities	30,039,871	27,468,702
Other operating revenue	20,528,961	17,878,202
Total revenue	316,104,853	272,887,742
EXPENSES		
Interest on deposits and debentures	199,706,298	175,225,638
Salaries, pension contributions and other staff benefits	51,953,183	42,724,990
Property expenses, including depreciation	13,326,211	11,555,557
Other operating expenses, including provision for losses on loans based on five-year average loss experience	19,330,752	15,510,054
Total expenses	284,316,444	245,016,239
Balance of revenue	31,788,409	27,871,503
Provision for income taxes relating thereto—note 3	14,800,000	13,780,000
Balance of revenue after provision for income taxes	16,988,409	14,091,503
Appropriation for losses	6,200,000	5,900,000
Balance of profits for the year	10,788,409	8,191,503
Dividends	6,808,556	5,850,000
Amount carried forward	3,979,853	2,341,503
Undivided profits at beginning of year	125,673	496,670
Transfer from accumulated appropriations for losses	3,000,000	2,000,000
Total	7,105,526	4,838,173
Transferred to Rest Account	7,000,000	4,712,500
Undivided profits at end of year	\$ 105,526	\$ 125,673

Statement of Accumulated Appropriations for Losses

for the financial year ended October 31, 1976

	1976	1975
Accumulated appropriations at beginning of year (Bracketed amounts are deductions)		
General appropriations	\$24,886,428	\$17,232,088
Tax-paid appropriations	2,469,217	1,710,573
Total	27,355,645	18,942,661
Appropriation from current year's operations	6,200,000	5,900,000
Loss experience on loans less provision included in other operating expenses	(1,922,378)	(389,731)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	467,708	1,193,059
Other profits, losses and non-recurring items, net	6,079	(190,344)
Provision for income taxes including credit of \$2,450,000 (1975- \$3,875,000) related to appropriation from current year's operations—note 3	2,450,000	3,900,000
Transferred to undivided profits	(3,000,000)	(2,000,000)
Accumulated appropriations at end of year		
General appropriations	27,659,760	24,886,428
Tax-paid appropriations	3,897,294	2,469,217
Total	<u>\$31,557,054</u>	<u>\$27,355,645</u>

Statement of Rest Account

for the financial year ended October 31, 1976

	1976	1975
Balance at beginning of year	\$58,864,035	\$47,000,000
Premium received on capital stock subscriptions—note 2	1,135,965	7,151,535
Transferred from undivided profits	7,000,000	4,712,500
Balance at end of year	<u>\$67,000,000</u>	<u>\$58,864,035</u>

Notes to the Financial Statements

1. The debentures, subordinate in right of payment to the claims of depositors and certain other creditors, consist of:

	1976	1975
7-1/2% sinking fund debentures, maturing in 1977 with holder's option to extend the maturity date to 1991	\$ 15,000,000	\$ 15,000,000
8-1/2% sinking fund debentures, maturing in 1981 with holder's option to extend the maturity date to 1990 at the rate of 8-3/4%	10,000,000	10,000,000
9-1/2% debentures maturing in 1982	10,000,000	—
	<u>\$ 35,000,000</u>	<u>\$ 25,000,000</u>

2. During 1976 all outstanding instalments for the shares issue of 1975 were paid, resulting in the addition of \$267,286 to paid up capital and \$1,135,965 to rest account.

3. Provision for income taxes shown in:

	1976	1975
Statement of revenue, expenses and undivided profits	\$ 14,800,000	\$ 13,780,000
Statement of accumulated appropriations for losses:		
Related to tax deductible appropriations	(2,450,000)	(3,875,000)
Related to taxable capital gains (losses)	—	(25,000)
	<u>(2,450,000)</u>	<u>(3,900,000)</u>
Total provision for income taxes	<u>\$ 12,350,000</u>	<u>\$ 9,880,000</u>

4. Under the Anti-Inflation Act and the rules and regulations in force since October 14, 1975, the Bank is subject to the restrictive measures on prices, wages, profit margins and dividends relative to its domestic operations.
During the compliance period ended October 31, 1976 the Bank has complied with the rules and regulations established by the Anti-Inflation Board.

Pro-Can Realties Limited
Controlled Corporation
Balance Sheet

As at October 31, 1976

Assets

Rent receivable	\$ 304,000
Land and buildings at cost, less depreciation	4,406,470
	<u>\$4,710,470</u>

Liabilities

The Provincial Bank of Canada	\$ 610,042	
Accrued bond interest	79,750	
Current portion of long-term debt redeemable November 1st, 1976	100,000	
Provision for income taxes	130	789,922
First mortgage sinking fund bonds — Series "B" — 5-1/2% maturing November 1st, 1986	2,900,000	
Less:		
Sinking fund payment due November 1st, 1976	100,000	2,800,000

CAPITAL STOCK

PREFERRED — Redeemable, non participating, non cumulative dividends — 4-1/2%. Authorized and issued: 10,000 shares of \$ 100 each	1,000,000	
COMMON		
Authorized and issued: 1,000 shares of \$ 100 each (<i>note</i>)	100,000	
	1,100,000	
RETAINED EARNINGS	20,548	1,120,548
		<u>\$4,710,470</u>

Note

The Provincial Bank of Canada owns the entire capital stock of Pro-Can Realties Limited with the exception of the directors' qualifying shares. It is carried on the books of the Bank at \$1,099,400

Auditors' report to the shareholders

We have examined the balance sheet of Pro-Can Realties Limited as at October 31, 1976. We have obtained all the information and explanations that we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, this balance sheet presents fairly the financial position of the company as at October 31, 1976 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Auditors

Guy Chabot, C.A.,
of Raymond, Chabot, Martin, Paré & Associés

Louis-Yvan Morin, C.A.,
of Morin, Dufresne, Cloutier, Bédard & Associés.

Montreal, November 24, 1976

Jean Machabée (center), Vice-President and General Manager, with the Vice-Presidents (from left to right): Gilles Roch, administration, Gilles Mercure, international, Georges Fortin, control, Michel Lavoie, operations.



Report of the Vice President and General Manager

General Situation

I am very pleased to submit for your approval the results of the Bank's financial year ended October 31, 1976.

This last year was marked by the measures of the Anti-Inflation Board which were applied along with the monetary policy of the Bank of Canada. As you already know, the latter's objective is to progressively curb inflation and attain a reasonable rate of real economic growth through a gradual reduction of the money supply growth rate.

Our Bank has agreed to fully co-operate with the Board by not increasing service charges above the levels in force on October 13, 1975 and, in general, by not widening the spread existing at that date between the rates required from certain categories of borrowers and the rates paid on Canadian dollar deposits. Added to an inflation rate that remained high, these restrictions have naturally affected our results which, all things considered, are satisfactory. In fact, the balance of revenue after income taxes rose by 20.6% over last year to \$16,988,409. Total assets at October 31, 1976 amounted to \$3,624,162,284. This represents an increase of over \$500 million in one single year, thus showing the ever-increasing importance of the Bank.

Deposits

The restrictive monetary policy pursued by the Bank of Canada throughout the year has had an impact on the management of our deposit liabilities. In addition to affecting bank liquid assets downwards, such a policy has contributed to maintaining short-term interest rates at a high level. Hence, the rates on 90-day deposits became almost as high as those on 1 to 5-year term deposits.

This year, we have increased our Canadian dollar deposits by 23% and at year-end they totalled \$2,585,500,573. The contribution of personal savings deposits, including registered retirement and home ownership savings plans, represents half of this amount.

Loans

At October 31, 1976 total Canadian loans amounted to \$2,144,589,940., an increase of 18% over the year before. As a result of a more aggressive policy and with the support of our new Customer Services Department, Corporate Banking Division, loans to the commercial, industrial and agricultural sectors have continued to rise. We focused our attention mostly on the small and medium-sized businesses whose credit needs can often reach up to \$1 million. Our development remains subject to the quality of the credit risks involved, but the imagination and the methods we have been using to solve our customers' credit problems were a key factor in the success experienced in obtaining new business.

The measures taken last year by the Federal Government to promote

residential construction largely contributed to the revival of this economic sector in which the Provincial Bank was particularly active. In fact, the Bank's mortgage loan portfolio increased by 26% to \$417,745,522. at year-end.

We have in general limited the amount of loans on single-family dwellings to the regional maximums set by the Central Mortgage and Housing Corporation. This has enabled some 3,300 of our customers to become home owners in 1976. About 60% of them were eligible to the Federal Assisted Home Ownership Program.

It is to be expected that housing starts will continue at the same pace during the next financial year. We intend to meet the requests submitted to us and we anticipate to increase our activity in the mortgage field.

In the consumer credit sector, our objectives had been set by taking into account the highly competitive nature of this market and the forecast of a moderate demand. The demand was stronger than expected and our objectives were effectively exceeded. We experienced an increase in volume of around 15% which is about the same as last year's level. Inflation partly accounts for this rise since the increase in the number of accounts is slightly smaller than in 1975. In the automotive sector, demand remained stable throughout the year. However, the largest rise was experienced in the mobile home sector.

We continue to enter into master agreements with dealers and merchants since they represent an important source of growth for our consumer credit business. Let us mention moreover that the objectives in terms of business volume which had been set for Master Charge were attained.

At this point, I would like to inform you that, last September, the Bank invested \$1,100,000. in *Crédit Industriel Desjardins*. This amount represents 10% of the capital of this company which is a subsidiary of the *Société d'Investissement Desjardins*. The main activities of the C.I.D. are commercial and industrial term loans.

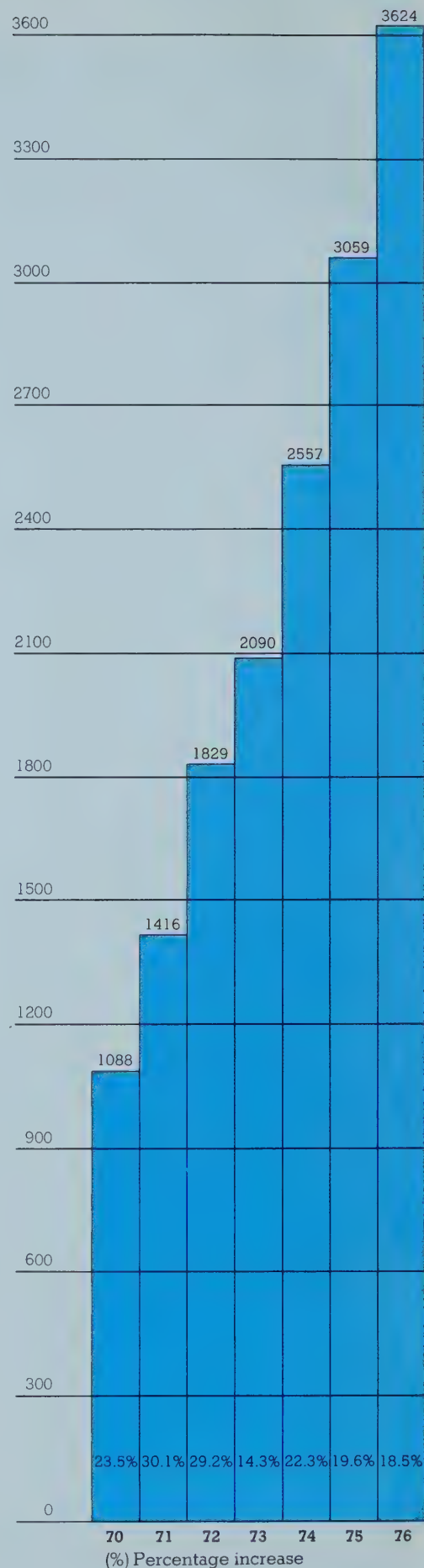
International Operations

Foreign currency deposits amount to \$835,375,111. at October 31, 1976 and, even though they remained rather stable throughout the year, their contribution to our profitability has increased. The contribution of international operations to balance of revenue before income taxes now amounts to \$3,475,000., an increase of 5% over 1975. Since the accounting definition of the term international operations may vary considerably from one institution to another, I deem it necessary to specify that, in our case, it covers all transactions on the financial and exchange markets, including those made with Canadian residents, but excluding those effected for our branches



Jean Machabée

Total assets
(in millions of dollars)



and their customers.

International loans and commitments reached the amount of \$223 million last October 31. While certainly being strongly positive, our policy on this matter may be described as prudent and cautious. We anticipate that the gradual improvement of the worldwide economic situation will enable us in 1977 to increase the volume of our interests in financing programs designed for industrialized and developing countries while maintaining strict evaluation standards.

However, the improvement of our means for offering good service to our Canadian customers will continue to be our main objective in the international sector. Our programs designed for assisting medium-sized businesses in their commercial relations with foreign countries have become increasingly useful and appreciated.

Revenue, Expenses and Capital

Interest income from loans and investments totals \$295,575,892. On the other hand, the total cost of interest paid on deposits and debentures amounts to \$199,706,298. The difference between these elements of income and expenses is \$95,869,594., a growth of 20% over the year before. This is the result of a small rise in the gross profit margin, but mostly of an increase in volume attributable mainly to additional funds of \$10,237,500. originating from our last rights issue which was fully used in 1976, from the proceeds of a debenture issue of \$10 million made on the Canadian euro-dollar market last February as well as from the increase of 18% in the average of total deposits in 1976.

Other revenue increased by 15% to \$20,528,961. This rise reflects, among other things, the growth in the business volume of Master Charge and in the volume of transactions made by cheques.

Operating costs other than interest rose by \$14,819,545. or 21%. Salaries, pension contributions and other staff benefits account for the larger part of this increase. I should also emphasize that in the other operating expenses is included an amount of \$3,845,000. representing the provision for losses on loans based on five-year average loss experience. The difference between the loan loss experience over that average appears in the statement of accumulated appropriation for losses and amounts to \$1,922,379. The loan loss experience for 1976 thus stands at \$5,767,379. compared to \$3,145,731. in 1975.

The balance of revenue after provision for taxes amounts to \$16,988,409., a rise of 20.6% over 1975. This represents \$2.50 per share compared with \$2.38 the preceding year, whereas the average of shares outstanding was slightly lower.

An amount of \$6,200,000. was transferred from the balance of revenue after provision for taxes to the appropriations for losses, leaving net profits of

\$10,788,409., of which \$6,808,556. were paid to shareholders in dividends.

The Bank's capital funds at the end of the 1976 financial year amounted to \$116 million, an increase of \$18 million or

3.14
3
—
2.8

Deposits

Foreign currency (in millions of dollars)

3600

3300

3000

2700

2400

2100

1800

1500

1200

900

600

300

0

70

71

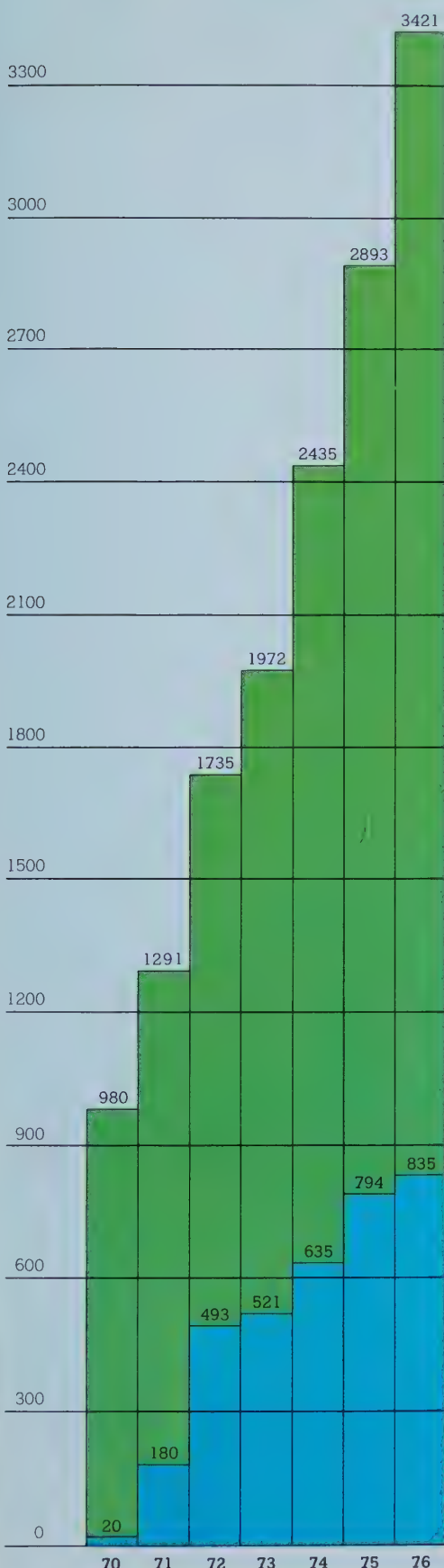
72

73

74

75

76



In the present business conditions, it is of the utmost importance to have a strong capital structure and this is one of our objectives.

Data Processing

With regard to data processing, the emphasis is placed on planning which is so important for the development of a strategy which will enable us to remain competitive through both cost reduction and the quality of services offered to customers. In order to attain these objectives, we have therefore enlarged the structures of the Data Processing Department by dividing it in two sectors: systems and services. The first one deals with computer operations, programming, and planning. The second one comprises clearing, users liaison services and the credit card department.

Marketing

As far as marketing is concerned, we have several realizations to mention. First of all, eight branches were added to our network this year. Three were opened in the Montreal area, two of which in the new buildings of l'Alliance and Complexe Desjardins. The other ones were established in the cities of Charlesbourg, La Pocatière, Port Cartier and Val d'Or in Quebec as well as in Petit-Rocher, New Brunswick. Our new branch in Val d'Or represents a first step towards the development of a new market in Abitibi where we intend to strengthen our representation by opening two other branches this year, one in Rouyn and another in Amos.

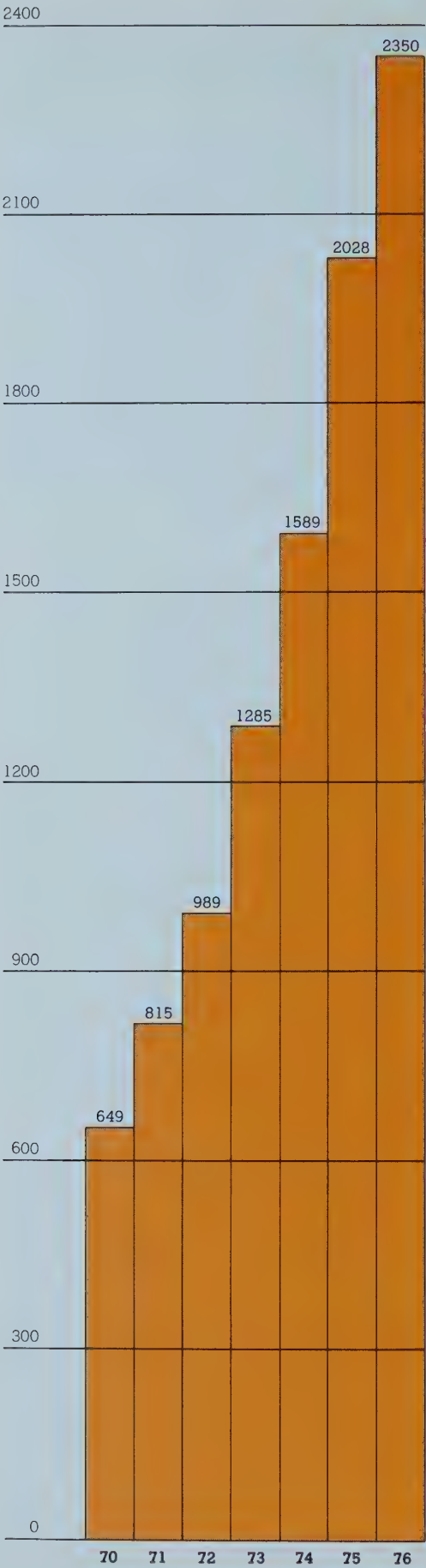
At October 31, the Bank therefore had 297 branches, 245 of which are located in Quebec, 28 in Ontario, 22 in New Brunswick and 2 in Prince Edward Island. With its 35 agencies, the Bank now has 332 access points in four provinces.

Our advertising theme has also been changed this year, as evidenced by the current campaign which depicts us as La Banque d'Ici.

Two new services were also offered to customers: Agripro and Advant'Age. The first one, Agripro, is a financing program intended for farmers which was established following the promulgation, this year, by the Quebec Government, of an Act to promote credit to farm producers. This program confirms our desire to participate more actively in the financing of agricultural production and increase our share of this market. The second one, Advant'Age, is a program of banking services designed for persons of sixty years of age or over. It is a sign of the Bank's preoccupation for a group of persons who, because of their income which remains stable, are more affected by the increase in the cost of living. Advant'Age enables them to obtain certain banking services without charge and also higher income on certain categories of deposits.

19% over last year. This important rise stems from the balance of premiums received on capital stock subscriptions, undivided profits during the financial year and a debenture issue of \$10 million.

Loans
(in millions of dollars)



creasing number of women are holding management positions both in branches and at Head Office. For example, among our accountants, 40% are women compared with 12% three years ago.

More than 15% of the Bank's staff is enrolled in university-level courses sponsored by the Institute of Canadian Bankers. The interest shown by employees for these programs and those given by the Bank reflects a desire to acquire new knowledge and meet the ever-increasing requirements of their duties.

At the end of this financial year, I am very pleased to pay tribute to the staff members of the Bank for their co-operation and the spirit they have shown and I wish to thank them for their contribution to the results obtained.

Ladies and Gentlemen, I believe I have given you a true picture of the Bank's business situation at October 31, 1976. I thank you for the support you have given the Bank during the past financial year and I venture to hope that you will maintain it throughout the current year.

Personnel

Our most important asset, our personnel, rose from 4,441 persons to 4,813 during the year. I am very pleased to point out that in addition to representing more than 71% of this asset, an in-



Chirmer

The success of a service enterprise such as The Provincial Bank of Canada depends mainly on the quality of its personnel. In order to help its employees develop a sound mind in a sound body, the Bank allocates large amounts of money for the realization of a wide range of cultural and sports activities.

Minutes



Minutes of the Seventy-Sixth Annual General Meeting of the Shareholders of The Provincial Bank of Canada, held at the Queen Elizabeth Hotel, 900 Dorchester Blvd West, Montreal on the 14th day of December, 1976, at three thirty o'clock in the afternoon.

The Chairman of the Board of Directors, Mr. Léo Lavoie, acted as Chairman and the Secretary General of the Bank, Mr. René Cousineau, as Secretary of the Meeting. The Chairman appointed Messrs François Bélanger and Florian Bleau to act as Scrutineers.

The Chairman welcomed the shareholders and then commented upon the changes which had occurred in the Executive as well as in the Board of Directors since the latest Annual General Meeting. He also made observations on the shares of the capital stock of the Bank. Mr. Lavoie's address appears on page 5.

The Secretary then read the notice calling the meeting and an affidavit concerning publication of said notice.

At the request of the Chairman, the Scrutineers confirmed that a quorum was present.

The Minutes of the last Annual General Meeting having been sent to all shareholders, it was moved by Mr. Jean-Yves Gélinas, and seconded by Miss Germaine Toupin, that the Minutes of the last Annual General Meeting be taken as read and be approved. The motion was put to the Meeting and a ballot was taken. Upon receiving the Scrutineers' Report of the balloting, the Chairman declared the motion duly carried.

Annual Statements

Before submitting the Annual Statements prescribed by Section 60 of the Bank Act for consideration to the Meeting, the Chairman indicated that the Statement of Assets and Liabilities of the Bank and Pro-Can Realities Limited as at October 31, 1976, the Statements of Rest Account, Revenue, Expenses and Undivided Profits and Accumulated Appropriation for Losses for the latest financial year had been forwarded to all shareholders in advance of the Meeting and that copies of the same were in the hands of those present. "We will forego, with your approval, he added, the actual reading of these statements since the Vice-President and General Manager will later comment on these."

It was then moved by Mr. Gerald M. Naimier, seconded by Mr. Bernard Bélanger, that the Annual Statements be taken as read.

The Chairman directed that a ballot on this motion be taken later in the Meeting at the same time as the ballot for the approval of the Annual Statements.

At the request of the Chairman, the Secretary read the Directors' Report:

"Your Directors take pleasure in submitting to the Shareholders the Bank's

Annual Statement for the year ended October 31, 1976, containing the Statement of Assets and Liabilities of the Bank and Pro-Can Realities Limited, the Statement of Revenue, Expenses and Undivided Profits, the Statement of Accumulated Appropriations for Losses and the Rest Account.

The Shareholders' Auditors, Messrs Guy Chabot, C.A., and Louis-Yvan Morin, C.A., audited the Bank's records and those of Pro-Can Realities Limited, a company controlled by the Bank, and their reports are appended to each statement.

During the year, eight new branches were opened and one was closed. As at October 31, 1976, the Bank had two hundred and ninety-seven branches and thirty-five agencies.

Your Directors express their appreciation to the officers and staff of the Bank for the continued loyalty and dedication they have shown in the discharge of their duties.

For the Board of Directors,
Léo Lavoie,
Chairman.
Montreal, December 14, 1976."

The Auditors' Report to Shareholders was then read.

The Chairman, Mr. Léo Lavoie, called upon the President, Mr. Michel Bélanger, to give his views on the revision of the Bank Act. Afterwards, the Vice-President and General Manager, Mr. Jean Machabée, submitted the financial statements. Mr. Bélanger's address appears on page 7 and Mr. Machabée's report appears on page 19.

It was moved by Mr. Léo Lavoie, seconded by Mr. Michel Bélanger, that the Directors' Report, the Annual Statements for the financial year ended October 31, 1976 as well as the Auditors' Report to Shareholders, be adopted. The Chairman stated that the motion was open for discussion. There being no discussion, the Chairman then put the motion to the Meeting. A ballot was taken and upon receiving the Scrutineers' report of the balloting, the Chairman declared this motion duly carried as well as the motion concerning the reading of the Annual Statements.

Appointment of Auditors Appointment of Proxies for Pro-Can

It was moved by Mr. Robert Labine, seconded by Mr. Benoit Parizeau, that Messrs Guy Chabot, C.A. of Raymond, Chabot, Martin, Paré et Associés, and Louis-Yvan Morin, C.A., of Morin, Dufresne, Cloutier, Bédard et Associés, be appointed the Auditors of the Bank until the next Annual General Meeting, that their remuneration be not more than \$50,000 and that their fees be divided between them in proportion to the time they will have devoted to the Bank's business. Before putting this motion to the Meeting, the Chairman suggested

that the appointment of proxies to vote in the name of the Bank at meetings of shareholders of Pro-Can Realities Limited be also submitted to the consideration of the Meeting and that a ballot on each motion be taken afterwards.

It was moved by Mr. Ryan Paquette, seconded by Mr. Armand-J. Bodin, that in accordance with the Bank Act, Mr. Léo Lavoie, or failing him, Mr. A.-Hervé Hébert, or failing him, Mr. C.F. Carsley, be appointed to act as proxy for the Bank at any and all meetings of the shareholders of Pro-Can Realities Limited, a corporation controlled by the Bank. These two motions were then put to the Meeting and a ballot was taken on each one.

Upon receiving the Scrutineers' Report of the balloting on the appointment of Auditors and on the appointment of proxies to vote in the name of the Bank at meetings of shareholders of Pro-Can Realities Limited, the Chairman declared these two motions duly carried.

Abrogation of subsection (b) of Section 1 of the Shareholders' By-Laws

The Chairman, Mr. Léo Lavoie, having explained at the beginning of the meeting the reasons why shareholders were asked to approve the abrogation of this By-Law, called upon shareholders to bring up questions if they so desire. No further question being put up, it was moved by Mr. Gustave Papillon, seconded by Mr. Michel Delage, that subsection (b) of Section 1 of the Shareholders' By-Laws, concerning the Chairman, Secretary and Scrutineers at meetings of shareholders, be rescinded. A ballot was taken and upon receiving the Scrutineers' Report of the balloting, the Chairman declared the By-Law abrogated.

Election of Directors

The Meeting then proceeded with the election of Directors. It was moved by Mr. Louis-E. Landry, seconded by Mr. Nap. Mackay, that the following shareholders be elected Directors of the Bank: Messrs. François Adam, F.I.A.C., Marcel Bélanger, C.A., Michel Bélanger, Hervé Belzile, C.A., Guy Bernier, Marc Bourgie, C.F. Carsley, M.B.E., Rodolphe Casgrain, Roland Chagnon, C.A., Charles-E. Demers, Eng., Claude Ducharme, Q.C., Gilbert Finn, Roland Giguère, J.-G. Hamelin, A.-Hervé Hébert, F.S.A., F.C.I.A., Léo Lavoie, Paul-H Plamondon, J.-Olier Renaud, Q.C., Maurice-W. Soucy and Antoine Turmel. The Chairman then asked if there were any further nominations.

There being no further nominations, a ballot was taken. The Chairman announced, upon receiving the Scrutineers' report of the balloting, that the twenty shareholders nominated to be Directors of the Bank had been elected by a majority of the votes.

At this point in the meeting the

Chairman invited questions but as there was no response, he declared the meeting terminated.

Meeting of the Board of Directors.

At a meeting of the Board of Directors held subsequently to the Meeting of Shareholders, the following Officers were elected for the ensuing year: Chairman of the Board and Chief Executive Officer: Mr. Léo Lavoie
President: Mr. Michel Bélanger
Vice-Presidents: Messrs C.F. Carsley and A.-Hervé Hébert.



Ten-year statistical review

	1976	1975
condensed statement of assets and liabilities		
assets		
Cash resources and due from banks	\$ 819,157,439	\$ 632,089,962
Securities	383,592,787	342,554,882
Call loans	74,493,539	81,252,630
Other loans	2,275,971,309	1,946,895,542
Bank premises, net	17,607,341	15,752,263
Other assets	53,339,869	40,599,270
Total assets	\$3,624,162,284	\$3,059,144,557
liabilities		
Deposits	\$3,420,875,684	\$2,893,080,566
Letters of credit and other liabilities	55,974,020	41,335,921
Accumulated appropriations for losses	31,557,054	27,355,645
Debentures	35,000,000	25,000,000
Shareholders' equity	80,755,526	72,372,425
Total liabilities	\$3,624,162,284	\$3,059,144,557
accumulated appropriations for losses		
Accumulated appropriations at beginning of year	\$ 27,355,645	\$ 18,942,661
Additions (deductions) during year		
Appropriation from current year's operations	6,200,000	5,900,000
Loss experience on loans less provision included in other operating expenses	(1,922,378)	(389,731)
Profits and losses on securities, etc.	467,708	1,193,051
Other profits and losses, net	6,079	(190,341)
Provision for income taxes, less credit related to appropriation from operations if applicable	2,450,000	3,900,000
Transferred to undivided profits	(3,000,000)	(2,000,000)
	4,201,409	8,412,980
Accumulated appropriations at end of year		
General appropriations	27,659,760	24,886,421
Tax-paid appropriations	3,897,294	2,469,211
Total	\$ 31,557,054	\$ 27,355,645

*Year of the amalgamation of The Provincial Bank of Canada and of The People's Bank
Note—For comparative reasons, some of the figures for previous years have been restated to conform to the current presentation

1974	1973	1972	1971	1970*	1969	1968	1967
549,488,244 \$	424,946,286 \$	450,709,711 \$	249,294,143 \$	108,191,400	\$109,021,009 \$	76,582,420	\$ 83,452,497
375,937,422	346,815,043	358,087,041	282,685,570	259,053,578	174,374,651	179,088,984	155,518,321
23,226,384	47,481,004	55,790,408	51,621,343	45,859,586	22,581,980	39,824,517	20,172,150
,565,438,413	1,237,138,435	933,499,249	763,168,769	602,833,658	524,211,530	446,150,220	367,988,025
14,857,475	13,270,770	12,573,879	11,890,566	10,672,866	7,742,473	7,427,652	6,841,613
27,890,771	19,935,414	17,930,318	57,392,113	61,329,316	43,171,881	9,662,486	8,482,683
2,556,838,709	\$2,089,586,952	\$1,828,590,606	\$1,416,052,504	\$1,087,940,404	\$881,103,524	\$758,736,279	\$642,455,289
2,434,531,900	\$1,972,385,145	\$1,734,571,620	\$1,291,088,481	\$ 979,577,234	\$795,447,221	\$712,437,332	\$600,832,344
29,167,478	25,122,955	16,930,011	54,684,164	60,673,585	43,053,697	6,342,292	4,872,415
18,942,661	20,218,580	16,068,356	14,392,751	12,162,527	12,268,147	10,625,229	8,225,864
15,000,000	15,000,000	15,000,000	15,000,000	—	—	—	—
59,196,670	56,860,272	46,020,619	40,887,108	35,527,058	30,334,459	29,331,426	28,524,666
2,556,838,709	\$2,089,586,952	\$1,828,590,606	\$1,416,052,504	\$1,087,940,404	\$881,103,524	\$758,736,279	\$642,455,289
20,218,580 \$	16,068,356 \$	14,392,751 \$	12,162,527 \$	12,887,133 \$	10,625,229 \$	8,225,864	\$ 7,062,781
5,000,000	3,800,000	3,000,000	3,330,000	2,280,000	2,060,000	1,180,000	741,000
247,742	379,222	207,251	44,894	(221,210)	(281,920)	(338,618)	(32,683)
(8,554,742)	(820,778)	900,993	1,701,491	(1,322,156)	(331,341)	162,576	(299,886)
1,081	(178,220)	67,361	(6,161)	(541,240)	(1,523,821)	(24,593)	(24,317)
2,030,000	1,970,000	1,000,000	1,160,000	(920,000)	1,720,000	1,420,000	778,969
—	(1,000,000)	(3,500,000)	(4,000,000)	—	—	—	—
(1,275,919)	4,150,224	1,675,605	2,230,224	(724,606)	1,642,918	2,399,365	1,163,083
17,232,088	17,086,883	13,646,982	11,472,924	7,776,333	11,035,930	10,212,817	8,146,989
1,710,573	3,131,697	2,421,374	2,919,827	4,386,194	1,232,217	412,412	78,875
18,942,661 \$	20,218,580 \$	16,068,356 \$	14,392,751 \$	12,162,527 \$	12,268,147 \$	10,625,229 \$	\$ 8,225,864

Ten-year statistical review

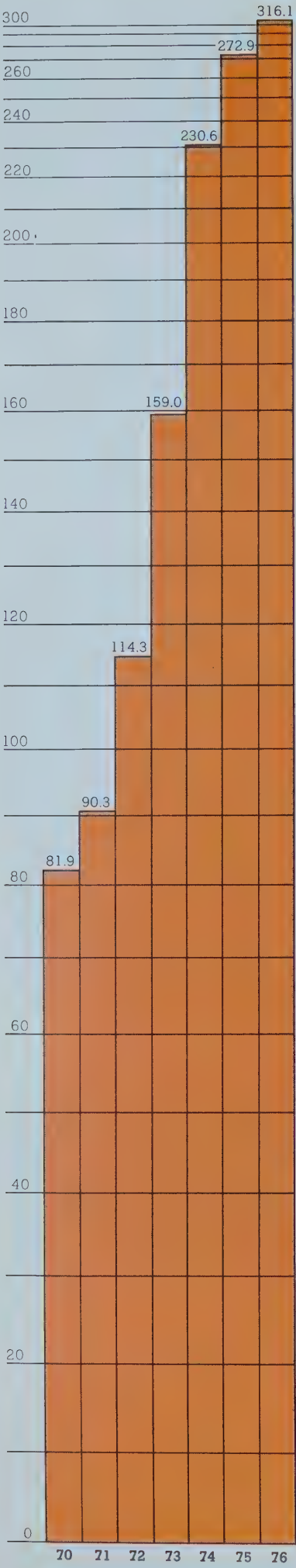
	1976	1975
statement of revenue, expenses and undivided profits		
revenue		
Income from loans	\$265,536,021	\$227,540,838
Income from securities	30,039,871	27,468,702
Other operating revenue	20,528,961	17,878,202
Total revenue	\$316,104,853	\$272,887,742
expenses		
Interest	\$199,706,298	\$175,225,638
Salaries, etc.	51,953,183	42,724,990
Property expenses	13,326,211	11,555,557
Other operating expenses	19,330,752	15,510,054
Total expenses	\$284,316,444	\$245,016,239
Balance of revenue	31,788,409	27,871,503
Provision for income taxes	14,800,000	13,780,000
Balance of revenue after provision for income taxes	16,988,409	14,091,503
Appropriation for losses	6,200,000	5,900,000
Balance of profits	10,788,409	8,191,503
Dividends	6,808,556	5,850,000
Amount carried forward	3,979,853	2,341,503
Undivided profits at beginning of year	125,673	496,670
Transfer from accumulated appropriations for losses	3,000,000	2,000,000
Total	7,105,526	4,838,173
Transfer to rest account	7,000,000	4,712,500
Undivided profits at end of year	\$ 105,526	\$ 125,673
other information		
Balance of revenue after provision for income taxes per share	\$2.50	\$2.38
Dividends per share	\$1.00	\$1.00
Number of employees	4,813	4,441
Number of branches	297	289

*Year of the amalgamation of The Provincial Bank of Canada and of the People's Bank

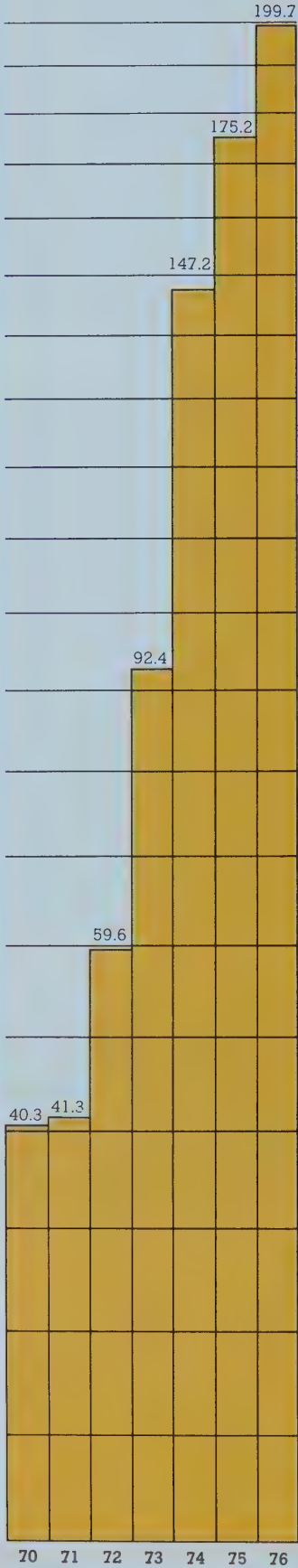
Note—For comparative reasons, some of the figures for previous years have been restated to conform to the current presentation

1974	1973	1972	1971	1970*	1969	1968	1967
91,274,451	\$125,255,608	\$ 85,524,088	\$ 65,993,472	\$ 57,446,437	\$ 43,586,922	\$ 32,199,507	\$ 24,866,649
25,296,599	22,373,000	18,209,104	15,024,168	15,453,641	10,760,018	9,501,670	7,567,697
14,010,721	11,405,477	10,526,604	9,234,977	8,982,360	8,419,261	7,397,211	6,751,815
230,581,771	\$159,034,085	\$114,259,796	\$ 90,252,617	\$ 81,882,438	\$ 62,766,201	\$ 49,098,388	\$ 39,186,161
47,156,102	\$ 92,413,389	\$ 59,551,414	\$ 41,337,313	\$ 40,283,193	\$ 27,055,653	\$ 19,319,020	\$ 13,950,690
34,665,978	27,710,739	23,242,394	19,940,570	17,796,149	14,713,762	12,994,667	11,363,853
10,063,489	8,589,778	6,998,143	6,161,086	5,303,705	4,489,709	3,912,782	3,447,947
12,842,581	9,989,192	7,992,334	7,385,598	5,780,992	5,344,044	4,735,159	4,068,201
104,728,150	\$138,703,098	\$ 97,784,285	\$ 74,824,567	\$ 69,164,039	\$ 51,603,168	\$ 40,961,628	\$ 32,830,691
25,853,621	20,330,987	16,475,511	15,428,050	12,718,399	11,163,033	8,136,760	6,355,470
13,240,000	10,130,000	7,890,000	7,670,000	6,590,000	5,850,000	4,260,000	3,228,969
12,613,621	10,200,987	8,585,511	7,758,050	6,128,399	5,313,033	3,876,760	3,126,501
5,000,000	3,800,000	3,000,000	3,330,000	2,280,000	2,060,000	1,180,000	741,000
7,613,621	6,400,987	5,585,511	4,428,050	3,848,399	3,253,033	2,696,760	2,385,501
5,381,298	4,582,259	3,952,000	3,068,000	2,678,000	2,250,000	1,890,000	1,665,000
2,232,323	1,818,728	1,633,511	1,360,050	1,170,399	1,003,033	806,760	720,501
264,347	620,619	487,108	127,058	656,659	131,426	124,666	104,165
—	1,000,000	3,500,000	4,000,000	—	—	—	—
2,496,670	3,439,347	5,620,619	5,487,108	1,827,058	1,134,459	931,426	824,666
2,000,000	3,175,000	5,000,000	5,000,000	1,700,000	1,000,000	800,000	700,000
496,670	\$ 264,347	\$ 620,619	\$ 487,108	\$ 127,058	\$ 134,459	\$ 131,426	\$ 124,666
\$2.16	\$1.83	\$1.65	\$1.49	\$1.18	\$1.18	86¢	69¢
92¢	83¢	76¢	59¢	54¢	50¢	42¢	37¢
4,117	3,812	3,485	3,183	2,987	2,594	2,497	2,407
286	281	270	263	253	219	211	205

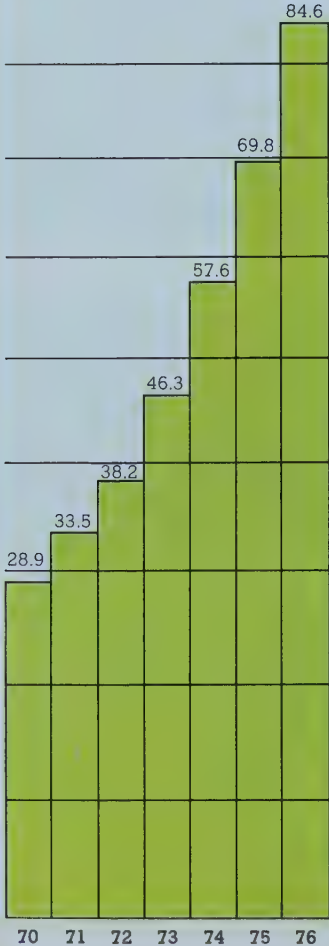
Total revenue
(in millions of dollars)



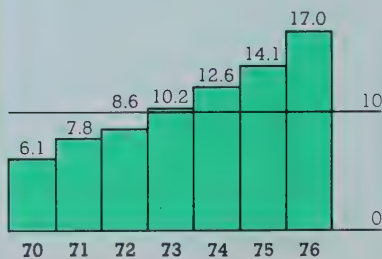
Interest on deposits and debentures
(in millions of dollars)



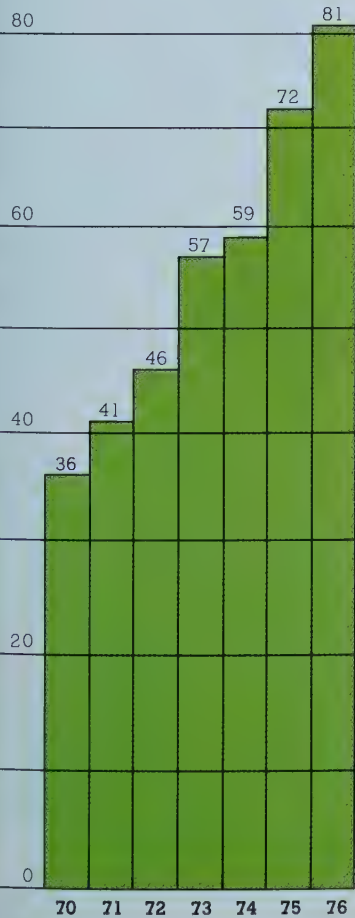
Operating expenses
(in millions of dollars)



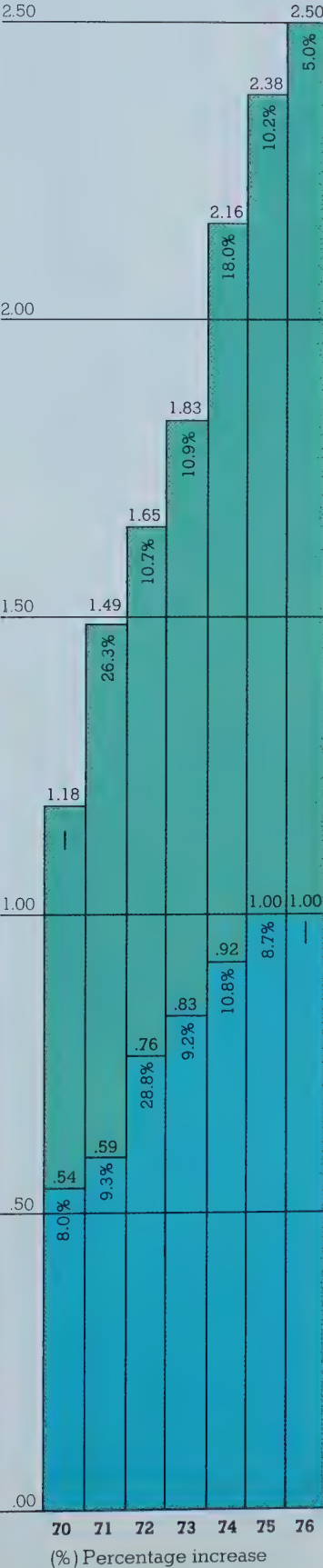
Balance of revenue after provision for income taxes
(in millions of dollars)



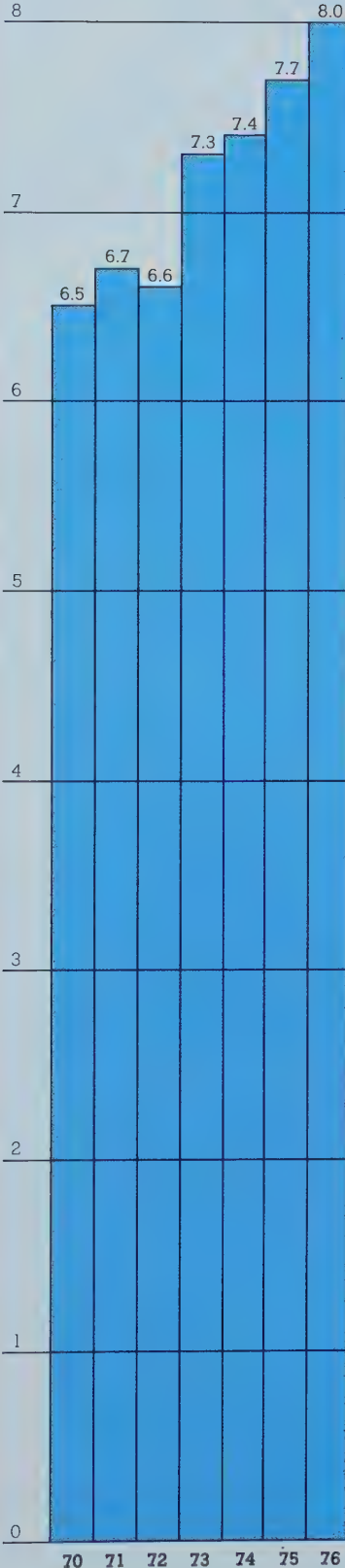
Shareholders' equity
(in millions of dollars)



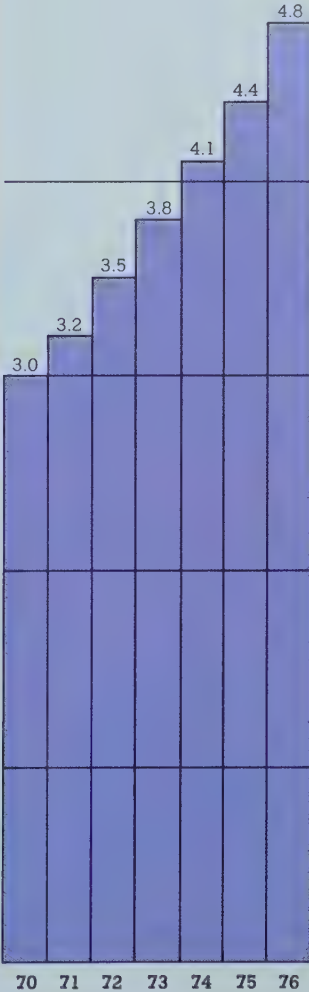
Balance of revenue
after provision for income taxes
(per share)
Dividends
(per share)



Number
of shareholders
(in thousands)



Number
of employees
(in thousands)



Besides reflecting the outstanding growth of The Provincial Bank of Canada, the expansion of its branch network clearly indicates the Bank's desire to meet the needs and aspirations of all communities.



Chirre

Branches

Québec

Montréal and suburbs

Montréal

2675 Beaubien Street East, *R. Bédard*
4250 Beaubien Street East, *G. Leblanc*
5100 Beaubien Street East, *J. Lambert*
1100 Bélanger Street East, *F. Thibodeau*
3255 Bélanger Street East, *R. Morin*
200 Bernard Avenue West, *P.A. Paradis*
235 Chabanel Street West, *V. Chiossone*
Complexe Desjardins, *R. Rousseau*
5635 Côte-Saint-Luc Road, *R. Beaudry*
3538 de Lorimier Avenue, *J.-P. Ducharme*
1390 Fleury Street East, *J.-G. Leclerc*
2201 Fleury Street East, *R. Girouard*
2175 Frontenac Street, *Y. Poirier*
C.N.R. Central Station, *R. Roux*
5990 Gouin Boulevard West, *G.-Y. Morin*
11244 Gouin Boulevard East, *N. Martin*
2000 Guy Street, *M. Leduc*
500 Henri Bourassa Boulevard East,
G. Laferrière
665 Jarry Street West, *A. Lazic*
2101 Jean-Talon Street East, *P. Denoncourt*
855 Jean-Talon Street West, *A. Assaad*
1909 Laurier Avenue East, *Y. Picard*
3244 Masson Street East, *P.A. Séguin*
6150 Monk Boulevard, *F. Lavigne*
1396 Mont-Royal Avenue East, *D. Légaré*
1 Notre-Dame Street West, *M. St-Pierre*
2441 Notre-Dame Street West,
G. Archambault
4440 Notre-Dame Street West, *C. Roy*
1346 Ontario Street East, *F. Fichaud*
2600 Ontario Street East
(Place Frontenac), *G. Imbeault*
3401 Ontario Street East, *R. Pichette*
4685 Park Avenue, *G. Hakim*
9101 Pie-IX Boulevard, *M. Galand*
772 Rachel Street East, *A. Boileau*
801 Sainte-Catherine Street East, *B. Lemay*
1900 Sainte-Catherine Street East,
G. Bissonnette
4137 Sainte-Catherine Street East, *R. Tissot*
680 Sainte-Catherine Street West,
G. Fortin
4494 Saint-Denis Street, *J.-Y Leduc*
5850 Saint-Denis Street, *P. Paquette*
7130 Saint-Denis Street, *J. Malfara*
8305 Saint-Denis Street, *G. Desmarais*
6420 Saint-Hubert Street, *G. Côté*
8060 Saint-Hubert Street, *R. Déchamps*
201 Saint-Jacques Street, *J.-P. Chapdelaine*
3850 Saint-Laurent Boulevard, *R. Rivard*
8631 Saint-Laurent Boulevard, *J. Sabatini*
8060 Saint-Michel Boulevard,
R. Deschamps
9048 Saint-Michel Boulevard, *C. Vozzella*
5355 Sherbrooke Street West, *A. Scandale*
5702 Sherbrooke Street East, *J. Duceppe*
8670 Sherbrooke Street East, *P. Armand*
2100 University Street, *R. Tremblay*
3543 Van Horne Avenue, *J.-P. Gagnon*
4765 Van Horne Avenue, *R. Saia*
3701 Villeray Street, *M. Sarena*

Anjou (Ville d')

7059 Jarry Street East, *R. Zammar*

Brossard

5645 Grande Allée, *U. Poirier*

Dollard-des-Ormeaux

4319, Saint-Jean Boulevard, *M. Rose*

Lachine

1515 Notre-Dame Street, *Y. Loiselle*

LaSalle

584, 90^e Avenue, *G. Beaudoin*
1447 Shevchenko Boulevard, *P. Robitaille*

Laval

Chomedey Ward
395 Cartier Street (Laval-des-Rapides),
F. Bourbonnais
967 Hôtel-de-Ville Boulevard
(Sainte-Dorothée), *L. Villeneuve*
201 Labelle Boulevard, *G. Latour*
1500 Labelle Boulevard, *J.-M. Desjardins*

Duvernay Ward

1950 de la Concorde Boulevard
(Galeries Papineau), *P. Bounadère*
2765 de la Concorde Boulevard, *J. Lesage*
38 des Laurentides Boulevard,
R. L'Archevêque
1 Place Laval, *D. Mailloux*

Sainte-Rose Ward

205 Sainte-Rose Boulevard, *R. Laferrière*

Longueuil

1667 Chambly Road, *A. Bergeron*
582 Sainte-Foy Boulevard, *G. Chapdelaine*
345 Saint-Jean Street, *P. Dépatie*

Montréal-Nord

4983 Charleroi Street, *G. Arsenault*
3570 Henri-Bourassa Boulevard East,
R. Ouellette
6015 Henri-Bourassa Boulevard East,
R. Marchand
10202 Saint-Michel Boulevard,
J.-C. Pelletier

Outremont

1051 Laurier Avenue West, *P. Bleau*

Pointe-aux-Trembles

1205 Saint-Jean-Baptiste Boulevard,
R. Bergeron

Roxboro

10415 Gouin Boulevard West, *Y. Pilon*

Saint-Laurent

185 Côte Vertu Road, *R. Gill*
795 Décarie Boulevard, *P. Desroches*
1110 Laurentien Boulevard, *S. Daigle*

Saint-Léonard

5281 Jean-Talon Street East, *I. Raffaele*
5990 Jean-Talon Street East, *F. Spina*
8450 Lacordaire Boulevard, *J.-P. Guindon*
5900 Métropolitain Boulevard, *Y. Payette*

Verdun

5364 Bannantyne Avenue, *A. Ruelland*
4014 Wellington Street, *H.-P. Rajotte*



Branch, Edifice Alliance,
2100, University Street, Montréal

Branches

Québec and suburbs

Québec

3265, 1^{re} Avenue, *R. Savard*
595, 3^e Avenue, *G. Range*
1138, 3^e Avenue, *M. Plante*
499, 4^e Avenue, *C. Blais*
105, boulevard Benoît XV, *A. Hamel*
405 est, boulevard Charest, *J. Doyon*
2, rue de la Fabrique, *R. Gauthier*
250 ouest, Grande-Allée, *G. Morneau*
664 est, Grande-Allée, *M. McClish*
230, rue Marie-de-L'Incarnation, *G. Matte*
2100, boulevard Père-Lelièvre,
C. Marchand
1510, 18^e Rue, *R. Chauvin*
1950, 18^e Rue, *R. Dionne*
150 est, boulevard Saint-Cyrille, *F. White*
295, chemin Sainte-Foy, *L. Bégin*
1385, chemin Sainte-Foy, *P.-A. Demers*
399, rue Saint-Jean, *G.-A. Rochette*
1161, rue Saint-Jean, *M. Pouliot*
8 ouest, rue Saint-Joseph, *J.-Y. Robert*
203 est, rue Saint-Joseph, *D. Gauthier*
700 est, rue Saint-Joseph, *H. Massé*
54, rue Saint-Pierre, *V. Tardif*
218 ouest, rue Saint-Vallier, *Y. Boucher*

Ancienne Lorette

1366 est, rue Saint-Jacques, *A. Bélanger*

Beauport

655, avenue Royale, *F. Tardif*

Charlesbourg

4785, 1^{re} Avenue, *L. Carroll*
6580, 1^{re} Avenue, *G. Labbé*
8500, boulevard Henri-Bourassa,
J.-P. Legrand

Giffard

3295, avenue Royale, *J.-M. Lapointe*

Lévis

111, rue Commerciale, *P. Maranda*
113, rue Saint-Georges, *N. Labonté*
3 est, Trans-Canada (Rond-Point),
L. Careau

Loretteville

190, rue Racine, *L. Hudon*

Sainte-Foy

1005, route de l'Eglise, *G. Bérubé*
1146, avenue Fournier, *M. Leblond*
853, avenue Myrand, *G. Potvin*
2360, chemin Sainte-Foy
(Centre Innovation), *R. Ouellette*
2925, chemin Sainte-Foy, *M. Bernier*

Sillery

1354, avenue Maguire, *J. Roberge*
911 ouest, boulevard Saint-Cyrille,
A. Martineau
1160, chemin Saint-Louis, *A. Bernier*

Vanier

260, avenue Rousseau, *Y. Boivin*

Other branches in Québec

Alma, *G.-H. Lavoie*

Amqui, *J.-L. Tondreau*

Asbestos, *P. Couture*

Aylmer

79, rue Principale, *J.-L. Saumure*

181, rue Principale, *J. Thibodeau*

Baie Comeau, *G. Plante*

Baie Saint-Paul, *J. Bélanger*

Beauceville-Est, *G. Montmigny*

Boucherville

100, rue Montarville, *G. Voghell*

Breakeyville, *D. Laflamme*

Buckingham, *J.-Y. Boutin*

Cap Chat, *C. Chartier*

Causapscal, *R. Fournier*

Charny, *R. Roussel*

Châteauguay-Centre

264, boulevard d'Anjou, *J.-M. Tourigny*

Chicoutimi

393 est, rue Racine, *A.-A. Lizotte*

1401, boulevard Talbot

(Place du Royaume), *G. Lafrance*

Contrecoeur, *A. Lauzier*

Côteau-Landing, *V. St-Pierre*

Danville, *G. Allard*

Dégelis, *A. Bérubé*

Disraéli, *R. Bouillon*

Drummondville

226, rue Hériot, *L. Pinard*

461, rue Lindsay, *M. René*

229, rue Saint-Marcel, *Y. Bourque*

Gatineau, *D. Saint-Georges*

Gentilly, *G. Milot*

Granby, *F. Chalifoux*

Greenfield Park

340, rue Gladstone, *A. Durnin*

Hauterive, *R. Morneau*

Hull

200, rue Champlain, *B. Blais*

161, rue Principale, *J. Gagnon*

745, boulevard Saint-Joseph, *J.-G. Beaulieu*

Joliette, *R. Lacasse*

Jonquière, *R. Bellefleur*

Labelle, *P. Langlois*

Lac Etchemin, *R. Paradis*

Lachute, *J. Bossé*

Lac Mégantic, *J. Bergevin*

La Malbaie, *G. Falardeau*

Laurentides, *R. Roy*

L'Épiphanie, *J.-C. Loranger*

Louiseville, *J. Désilets*

Maniwaki, *V. Thibodeau*

Masson, *J. Guillette*

Matane, *D. Ouellet*

Montmagny, *G. Hould*

Nicolet, *P. Laberge*

Nitro, Plaza K-Mart, *G. Lefebvre*

Notre-Dame-du-Lac, *A. Viel*

Oka, *G. Lampron*



Branch, Complexe Desjardins, Montréal

Branches

Papineauville, J.-G. Lanctôt
Pierreville, M. Wistaff
Pointe Gatineau, A. Charron
Port Cartier
8, boulevard des Îles, M. Paquet

Repentigny
100, boulevard Brien, D. Massé
155, rue Notre-Dame, J. Denis

Rimouski, J.-P. Lebel
Rimouski-Est, G. Hudon
Rivière-Bleue, A. Michaud

Rivière-du-Loup
116, rue Lafontaine, J.-Y. Laforest
298, boulevard Thériault, R. Aubé

Rivière-du-Loup Station, J.-M. Huot
Roberval
878, boulevard Saint-Joseph, C. Girard
Sainte-Adèle, J. Cousineau
Saint-Agapitville, R. Dumas
Sainte-Agathe-des-Monts, D. Demers
Saint-André-Avellin, R. Durivage
Sainte-Anne de la Pocatière, P. Renaud
Sainte-Anne-des-Plaines, C. Forget
Saint-Anselme, G. Proulx
Saint-Barthélemy, A. Dufour
Saint-Basile-le-Grand, R. Turgeon
Saint-Clet, P. Vallières
Sainte-Croix-de-Lotbinière,
C. Rhéaume

Saint-Donat, M. Lavoie
Saint-Eustache, J.-M. Létourneau
Saint-Flavien, R. Poirier
Saint-Gabriel, P. Racine
Saint-Guillaume, R. Masse
Saint-Hyacinthe
1690, rue Girouard, L. Bouchard
Saint-Jean, Place Saint-Jean, P. Faucher
Saint-Jean-Port-Joli, J.-L. Drolet
Saint-Jérôme, R. Deschamps
Saint-Joseph-du-Lac, G. Soucy
Sainte-Julie-de-Verchères, J. Dalcourt
Saint-Pascal-de-Kamouraska,
O. N. Carpentier

Saint-Polycarpe, N. Vigneault
Saint-Raphaël, M. Bouchard
Saint-Romuald, C. Simoneau
Sainte-Thérèse

120, rue Turgeon, G. Bédard
Sayabec, Y. Lapointe
Sept-Îles
350, rue Smith, (Édifice Le Concorde),
M. Lévesque

Shawinigan, G. Robitaille

Sherbrooke
451 est, rue King, S. Lapointe
1405 ouest, rue King, H. Gagnon
11 nord, rue Wellington, C. Richer

Sorel, R. Desbois

Terrebonne
852, boulevard des Seigneurs,
R. Cousineau

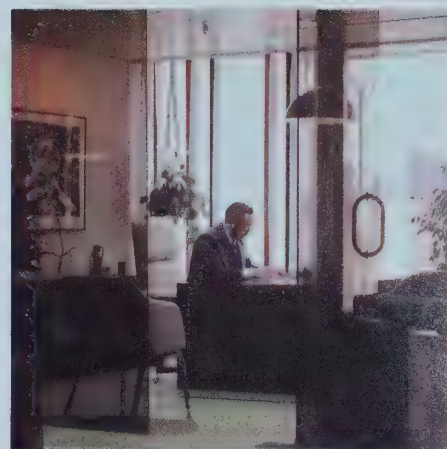
Thetford-Mines
110 nord, rue Notre-Dame, R. Labbé
Thurso, D. Coulombe
Tracy, F. Grégoire
Trois-Pistoles, D. Boulay

Trois-Rivières
1433, rue Notre-Dame, J.-L. Laroche
935, rue Saint-Maurice, A. Grégoire

Val d'Or, J.-P. Lapointe

Valleyfield
50, rue Dufferin, G. Caron
68, rue Sainte-Cécile, R. Cedras

Varennes, C. Goulet
Verchères, R. Arpin
Victoriaville, N. Leblond
Warwick, J. Rouette
Windsor, C. Trottier
Yamachiche, G. Charbonneau



Branch, Complexe Desjardins, Montréal

Branches

Ontario

Alfred, R. Villeneuve
Belle River, R. Saint-Pierre
Cornwall
305 Montréal Road, *M. Poitras*

Hamilton
447 Main Street East, *H. Gagnier*
750 Upper James Street, *R. Gagné*

Mississauga
833 Westlock Road, *J.O.F. Arsenault*
Orléans, G. Lalonde

Ottawa
2211 Arch Street, *D. Daoust*
242 Rideau Street, *J.-L. Fréchette*
160 Slater Street, *M. Desjardins*

Pembroke, J. Dumont
Rockland, S. Cormier
Scarborough
3051 Pharmacy Avenue, *C. Tognarelli*
Tecumseh, J.-C. Couture
Tilbury, D. Borrie

Toronto
885 Bloor Street West, *C. Chamberland*
730 Danforth Avenue, *Y. Desrosiers*
1728 Eglinton Avenue West, *J.-P. Fenech*
145 King Street West, *G. Seeger*
1295 St. Clair Avenue West, *U. Forlini*

Vanier, M. Cornellier

Windsor
999 Drouillard Road, *P. Stebila*
1301 Grand Marais Road, *A. Massé*
1599 Ottawa Street, *E.-J. Findlay*
500 Ouellette Avenue, *K.B. Liddle*
4855 Tecumseh Road East, *P. Hébert*
899 Wyandotte Street East, *M. Thomas*

New Brunswick

Bathurst, R. Roy
Campbellton, A. Hébert
Caraquet, R. Basque
Clair, R. René
Edmundston, P. Laforest
Edmunston-Est, C. Tremblay
Fredericton
636 Queen Street, *E. Melanson*
Grande-Anse
357 rue Acadie, *M. Desrosiers*
Lamèque, J.-M. Dostie

Moncton
Edifice Taillon, Univ. de Moncton,
Mrs. G. Gallant
417 Elmwood Drive, *V. Ouellet*
760 Main Street, *J.-M. Brisebois*
238 St. Georges Street, *D. Breau*

Norton, Mrs. E.S. Cotter
Petit Rocher, A. Henrie
Richibucto, L.-P. Lévesque
Saint-John, E.J. Dance
Saint-Joseph, E. Bélanger
Saint-Léonard, J.-P. Lagacé
Saint-Quentin, R. Arsenault
Shediac
1170 rue Principale, *L.-P. Leblanc*
Shippegan, R. Gauvin
Tracadie, A. Gagnon

Prince Edward Island

Charlottetown, J.J. Arseneault
Summerside, B. Homer

Head Office

221 Saint-Jacques Street
Montréal H2Y 1M7, Québec,
Canada

Telegraphic Address

Provibank, Montréal



Branch, 2000, Guy Street, Montréal





Interim statement to shareholders

6 months ended
April 30,
1976



3.7

3.0

Report to shareholders

Balance of revenue for the six-month period ended April 30, 1976 totals \$16,978,412 compared with \$12,524,125 for the corresponding period of last year, an increase of 35.6%. One will remember that at the end of the first six-month period of last year the balance of revenue showed a decrease of 6.2% over the previous year. At the end of the second quarter ended April 30, 1976, balance of revenue totalled \$8,171,349 compared to \$8,807,063 for the first quarter, a decrease of 7.2%. Total assets at \$3,343,629,240 show a growth of 21% over last year.

Léo Lavoie
Chairman and Chief
Executive Officer

Statement of Revenue and Expenses

(subject to year-end adjustment and audit)

	For the three months ended April 30		For the six months ended April 30	
	1976	1975	1976	1975
REVENUE				
Income from loans	\$ 64,405,704	\$ 53,871,622	\$127,687,626	\$113,838,151
Income from securities	7,407,776	6,791,579	14,399,624	14,368,699
Other operating revenue	5,037,411	4,326,178	9,734,619	8,116,868
Total revenue	76,850,891	64,989,379	151,821,869	136,323,718
EXPENSES				
Interest on deposits and bank debentures	48,294,672	41,993,396	94,850,066	90,475,311
Salaries, pension contributions and other staff benefits	12,488,513	10,336,797	24,584,128	20,156,521
Property expenses, including depreciation	3,390,876	2,944,451	6,777,326	5,797,670
Other operating expenses, including provision for losses on loans based on five-year average loss experience	4,505,481	3,703,828	8,631,937	7,370,091
Total expenses	68,679,542	58,978,472	134,843,457	123,799,593
Balance of revenue	8,171,349	6,010,907	16,978,412	12,524,125
Provision for income taxes relating thereto	3,779,000	3,065,000	7,859,000	6,400,000
Balance of revenue after provision for income taxes (note 1)	\$ 4,392,349	\$ 2,945,907	\$ 9,119,412	\$ 6,124,125
Per share (note 2)	64.8¢	50.4¢	\$ 1.35	\$ 1.05
Dividends declared in the period	\$ 1,701,337	\$ 1,462,500	\$ 3,397,843	\$ 2,925,000
Per share	25¢	25¢	50¢	50¢

Balance sheet highlights as at April 30

	1976	1975	Per Cent Increase
Total Assets	\$3,343,629,240	\$2,756,434,576	21%
Total Loans	2,258,382,926	1,821,515,282	24%
Total Deposits	3,165,927,661	2,607,885,662	21%
Deposits in canadian dollars	2,406,830,189	2,009,020,582	20%
Deposits in foreign currencies	759,097,472	598,865,080	27%

Note 1: The amount of the transfer to appropriations for losses can only be determined at the end of the financial year and no provision has been made in the interim statements.

Note 2: Based on the month end average of shares outstanding:

	1976	1975
Six months ended April 30	6,762,601	5,850,000
Three months ended April 30	6,782,781	5,850,000

AR50

Compte rendu
aux actionnaires6 mois au
30 avril
1976

Rapport aux actionnaires

Le solde des revenus pour le semestre terminé le 30 avril 1976 s'élève à \$16,978,412 comparativement à \$12,524,125 pour la période correspondante de l'exercice précédent, soit une progression de 35.6%. On se rappellera qu'au premier semestre de 1975, le solde des revenus était de 6.2% inférieur à celui de l'année précédente. A la fin du premier trimestre de cette année, le bénéfice d'exploitation s'élevait à \$8,807,063 alors que celui du deuxième trimestre atteint \$8,171,349 soit une légère diminution de 7.2%. Par ailleurs, les actifs qui s'élèvent à \$3,343,629,240 sont en augmentation de 21% sur l'année dernière.

Le président du conseil
et chef de la direction
Léo Lavoie

État des revenus et dépenses

(sous réserve de la vérification et des ajustements en fin d'exercice)

	Pour le trimestre terminé le 30 avril		Pour le semestre terminé le 30 avril	
	1976	1975	1976	1975
REVENUS				
Revenus des prêts	\$ 64,405,704	\$ 53,871,622	\$127,687,626	\$113,838,151
Revenus des valeurs	7,407,776	6,791,579	14,399,624	14,368,699
Autres revenus d'exploitation	5,037,411	4,326,178	9,734,619	8,116,868
Total des revenus	76,850,891	64,989,379	151,821,869	136,323,718
DÉPENSES				
Intérêts sur dépôts et débentures	48,294,672	41,993,396	94,850,066	90,475,311
Traitements, contributions aux caisses de retraite et autres prestations au personnel	12,488,513	10,336,797	24,584,128	20,156,521
Frais des établissements, incluant les amortissements	3,390,876	2,944,451	6,777,326	5,797,670
Autres frais d'exploitation, incluant provision pour pertes sur prêts d'après la moyenne des pertes au cours des cinq derniers exercices	4,505,481	3,703,828	8,631,937	7,370,091
Total des dépenses	68,679,542	58,978,472	134,843,457	123,799,593
Solde des revenus	8,171,349	6,010,907	16,978,412	12,524,125
Provision pour impôts sur le revenu y relatifs	3,779,000	3,065,000	7,859,000	6,400,000
Solde des revenus après provision pour impôts (note 1)	\$ 4,392,349	\$ 2,945,907	\$ 9,119,412	\$ 6,124,125
Par action (note 2)	64.8¢	50.4¢	\$ 1.35	\$ 1.05
Dividendes déclarés durant la période	\$ 1,701,337	\$ 1,462,500	\$ 3,397,843	\$ 2,925,000
Par action	25¢	25¢	50¢	50¢

Points saillants du bilan au 30 avril

	1976	1975	% d'augmentation
Total de l'actif	\$3,343,629,240	\$2,756,434,576	21%
Total des prêts	2,258,382,926	1,821,515,282	24%
Total des dépôts	3,165,927,661	2,607,885,662	21%
Dépôts en dollars canadiens	2,406,830,189	2,009,020,582	20%
Dépôts en devises étrangères	759,097,472	598,865,080	27%

Note 1: Le montant à être affecté aux réserves pour pertes ne peut être déterminé qu'à la fin de l'exercice financier et aucune provision n'est faite pour les états intérimaires.

Note 2: Calculé sur la moyenne de fin de mois des actions émises:

	1976	1975
Semestre terminé le 30 avril	6,762,601	5,850,000
Trimestre terminé le 30 avril	6,782,781	5,850,000